

2019 REPORT

2019 Office 365 Migration Survey

A survey by TechValidate and Zscaler™



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About the survey

TechValidate, on behalf of Zscaler, conducted a survey of 250 U.S. and European organizations that had deployed Office 365

Microsoft introduced Office 365 on June 28, 2011, and, as of April 2019, the platform has 180 million users and is becoming one of the most popular business SaaS platforms available.¹ In the years since its introduction, there have been scores of books published on Office 365, countless websites dedicated to it, case studies, deployment guides, and an abundance of articles and papers. But we suspected, and this study confirmed, that organizations continue to struggle with best way to deploy Office 365 and, as a result, face issues like network congestion, administration complexities, and upgrade costs.

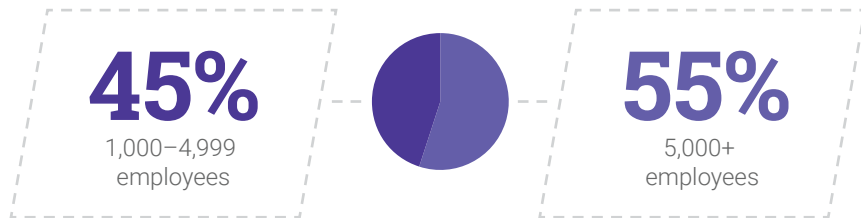
If you've had similar challenges, you will see that you are not alone. We hope you find the results of this study useful. Along with the data, we'll present some perspectives on why migration challenges persist, along with Microsoft deployment recommendations and solutions that have been proven to overcome the challenges.

¹ Redmond, Tony, "Office 365 Reaches 180 Million Monthly Active Users," Office365ITpros.com, April 25, 2019 (retrieved June 3, 2019).

250 companies in North America and across Europe in a range of industries

Microsoft Office 365 has been deployed across every business sector, government institutions, all levels of education, healthcare industries, and beyond. We designed our survey to reach across industries, in multiple countries, and to include IT professionals at different levels, from executive to practitioner. We simply wanted to know, from multiple sources with different perspectives, how their experience has been with Office 365.

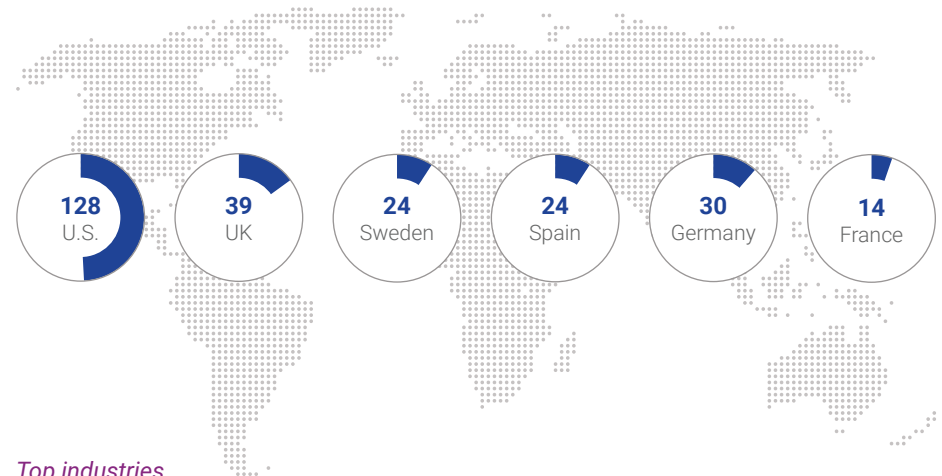
Company size



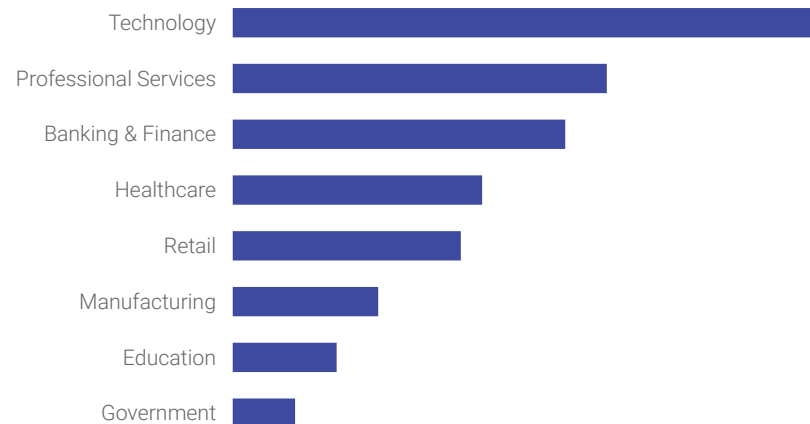
Top job titles of participants



Countries represented



Top industries



Organizations' high expectations are not yet being realized

We sought to learn why companies are migrating to Office 365 and what their experiences have been like. Here is some of what we learned:

1 Organizations want less complexity...

This should come as a surprise to no one; IT and business leaders want to achieve better outcomes by providing access to the tools users need wherever they happen to be working. Cloud apps deliver on that promise and reduce many of the difficulties of managing applications.

...but they're not always finding it

Office 365 offers a range of benefits across the organization, and it automates many administrative tasks. But those organizations that add to their stack of security appliances to handle increases in traffic and bandwidth usage are, in turn, seeing rising administration complexity and IT helpdesk tickets.

2 Organizations want to reduce costs...

Many enterprises transition to cloud-based applications and services like Office 365 due to the promise of reduced server overhead, lower administration costs, and the avoidance of hardware upgrades and software costs.

...but costs continue to be an issue

By now it's well understood that Office 365 increases bandwidth consumption and creates many resource-heavy network connections. Typically, organizations prepare for Office 365 as they prepared for other SaaS applications: by increasing bandwidth and upgrading firewalls. But Office 365 isn't like other SaaS apps, and most of the companies in our survey found that costs were higher than expected. For 40 percent of respondents, upgrade costs were more than 50 percent higher than they'd planned for.

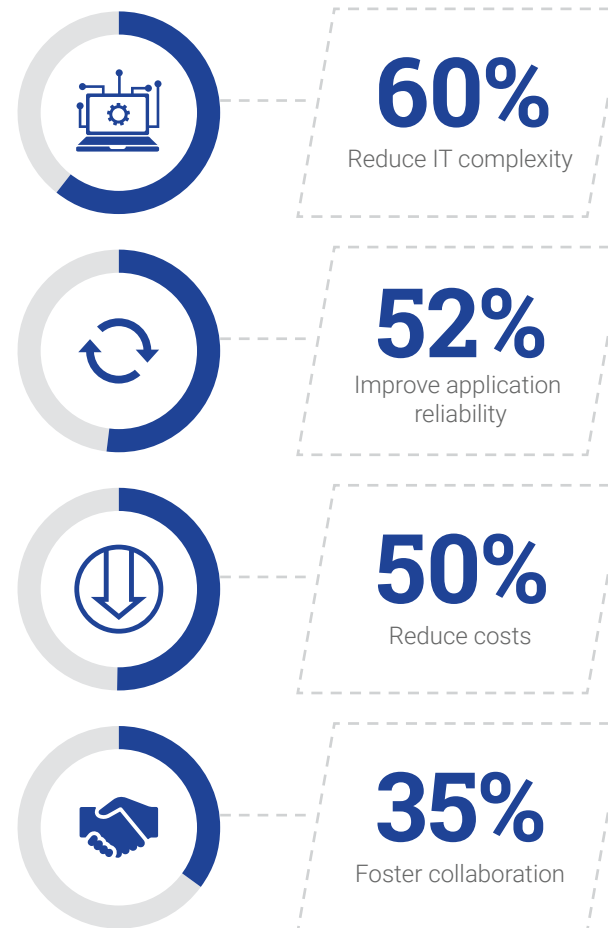
Most organizations are migrating to Office 365 to reduce complexity, improve application reliability, and reduce costs

Office 365 is often the first major step organizations take in their cloud transformation journeys. As an application suite that touches almost everyone in an organization, there are many compelling business cases for migrating:

- Cuts the cost of maintaining and upgrading applications
- Reduces the hardware footprint and IT burden
- Turns responsibility for software reliability and availability over to Microsoft

Ultimately, Office 365 is designed to make users more productive and collaborative. It enables them to work in new ways that can drive efficiency and speed. And all of that can make an organization more innovative and competitive.

List all the top reasons your organization migrated to Office 365

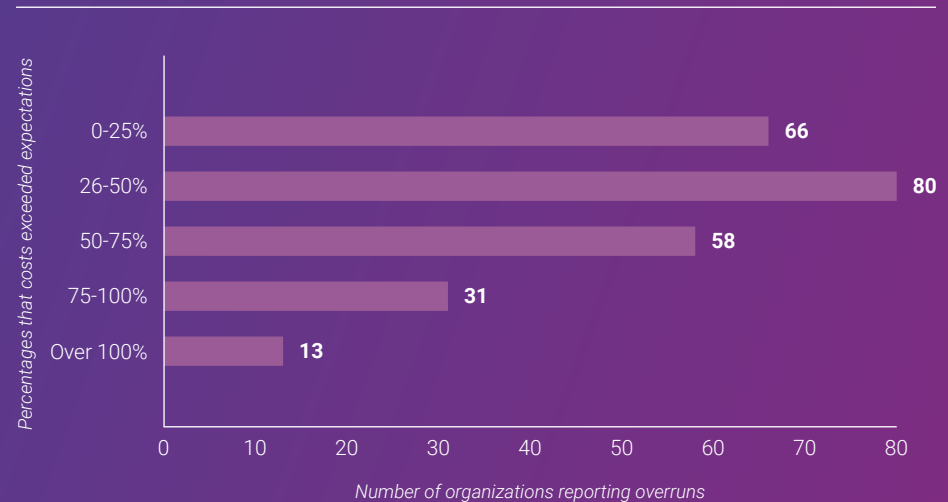


Deployment costs were higher than expected

Nearly three-quarters of respondents said costs were more than 25 percent higher than expected, with 40 percent reporting even higher overruns.

In spite of careful planning, many organizations find that the actual costs of deploying Office 365 are considerably higher than expected. The problems arise when organizations invest in network infrastructure upgrades and equipment at the gateways.

Deploying Office 365 cost you how much more than expected?



Our results showed that Europe has more cost overruns than the U.S., which is likely because European organizations focused on both gateway and branch upgrades.

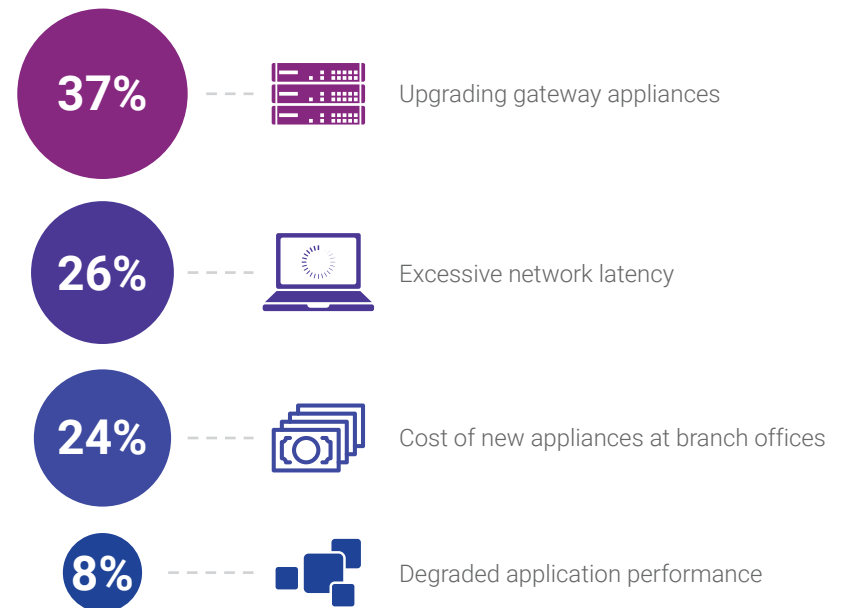
The need for upgrades is delaying deployment

Almost 40 percent of survey respondents claimed that upgrading gateway appliances delayed their Office 365 deployment the most.

Just as investments in new appliances are driving up costs, these investments are delaying Office 365 deployment in many organizations. Some of these delays are due to the unexpected need for additional upgrades at the gateways and branch offices. This is due in part to the fact that each Office 365 user can initiate a dozen or more persistent connections, and even newly upgraded equipment is quickly overwhelmed as the use of Office 365 applications and services increases.

Latency is another challenge exposed following a PoC, and IT teams must step back and reevaluate their strategies. The traditional way of connecting users to applications isn't effective for SaaS, particularly for remote users and those in branch offices. Backhauling traffic through centralized data centers creates a poor user experience, yet connecting directly to the internet, while great for users, raises security concerns.

What factors delayed your Office 365 deployment the most?



IT is experiencing frequent network issues related to Office 365

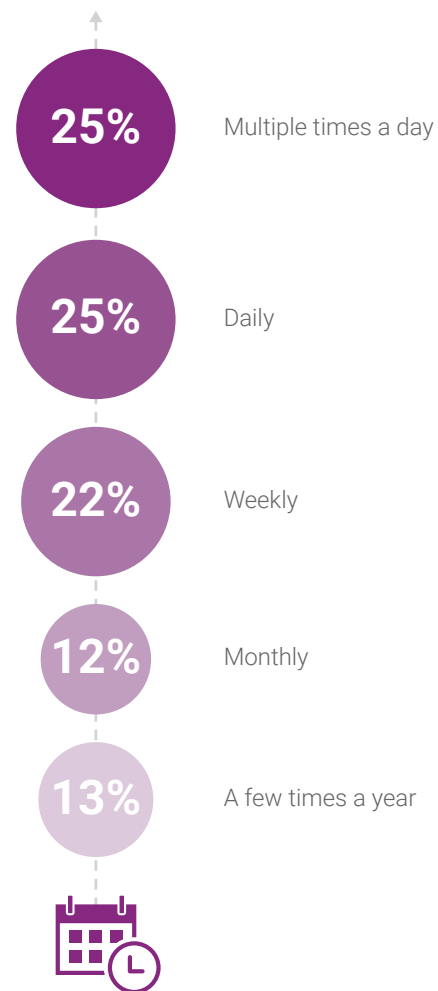
More than half of respondents experience Office 365 network performance issues at least daily, if not multiple times a day.

The frequency of network issues was one of the more telling findings from the survey. If IT is getting daily tickets related to Office 365, it's a clear indication that something in the deployment has gone amiss. Our survey found that IT helpdesks are dealing with a range of issues, including:

- Poor user experience
- Dropped connections
- Slow syncing with OneDrive
- Slow SharePoint experience

One of the reasons that network problems arise is that Office 365 increases network utilization significantly. So, even when firewalls have been upgraded, they're not up to the task of handling the onslaught of Office 365 traffic.

How often does your IT department experience network performance issues related to Office 365?



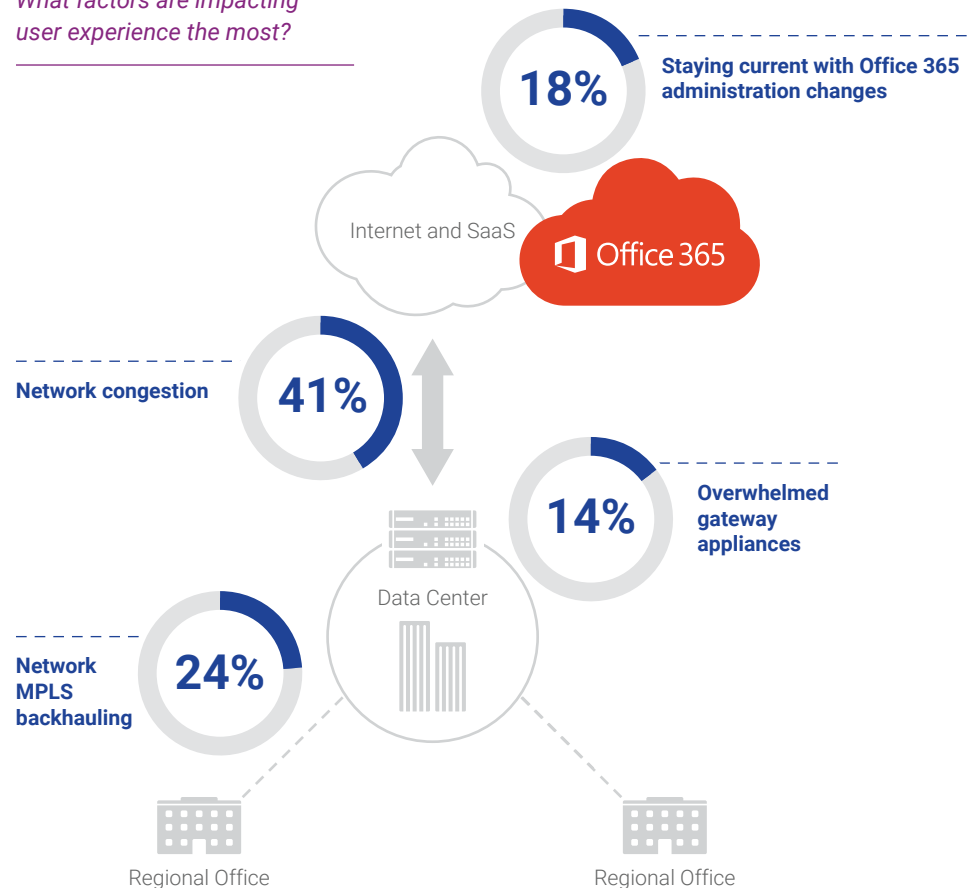
Network congestion is impacting user experience

Forty percent surveyed say network congestion is a major factor impacting their Office 365 user experience.

Network congestion is a frequently cited challenge for organizations deploying Office 365, and for a variety of reasons. One of them is that, because of the amount of traffic that Office 365 generates, you need to think differently about how you route and handle that traffic.

Many organizations make the mistake of mixing their Office 365 app traffic with the rest of their network traffic. Because Microsoft recommends getting Office 365 traffic to the Microsoft cloud as quickly as possible, it's important to prioritize this traffic over other less-critical traffic. Sending this traffic directly to Microsoft also enables you to keep your internal network congestion to a minimum.

What factors are impacting user experience the most?



Although both U.S. and European organizations rated network congestion as first, the U.S. rated administration challenges as second, with Europe identifying MPLS backhauling as their next biggest challenge.

Dissatisfaction with Office 365 collaboration tools is on the rise

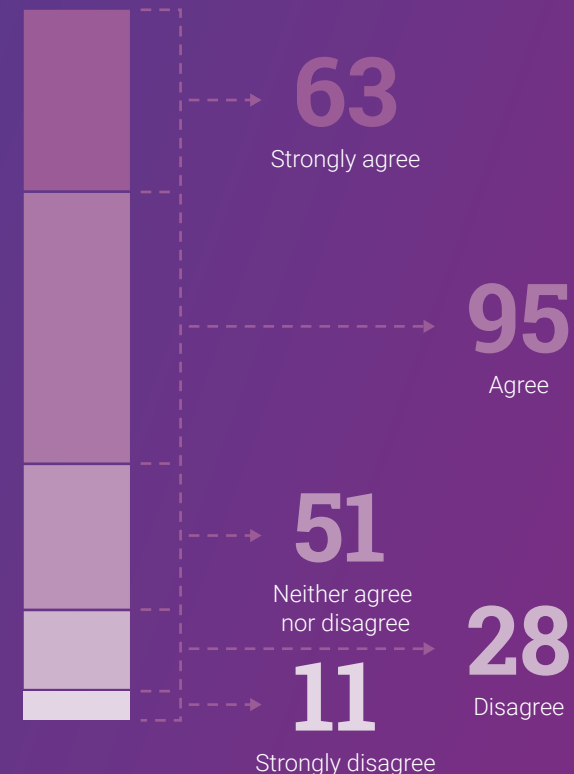
Sixty-three percent claimed that Office 365 collaboration is suffering due to network performance problems.

Collaboration and productivity are the key advantages of Office 365, and that's why it's so important to focus on user experience as you migrate.

For many users, particularly those in branch offices, video quality is poor, connections get dropped, and file sharing is slow. The fundamental problem is the result of routing traffic from users in the branch to a regional data center that may be thousands of miles away before it reaches the Microsoft cloud.

Office 365 was designed to be located as close to the user as possible, but traditional networks fail to deliver the same advantage.

Please rate your level of agreement with the following statement: "Office 365 collaboration dissatisfaction is on the rise due to network performance problems."



Europe showed a stronger bias towards collaboration dissatisfaction with over 30 percent of respondents strongly agreeing.

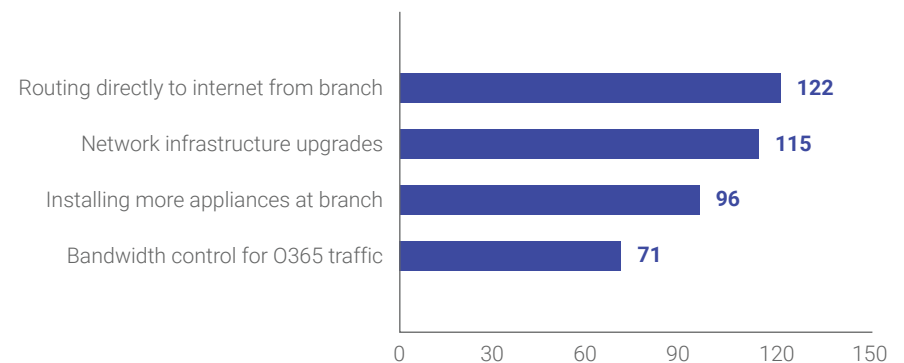
Respondents are looking at ways to improve performance

Some companies are building further on their hub-and-spoke networks, while others are looking at new approaches.

Companies are realizing that Office 365 requires changes to the network and they're considering ways to improve performance.

The most popular response was to explore the use of direct internet connections to improve performance problems, which is the approach that Microsoft recommends. In many of these cases, however, organizations are opting to secure direct-to-internet traffic by increasing the appliance footprint at branches, which is costly and it adds complexity as IT must manage these appliances as Microsoft sends regular URL and IP updates.

How organizations are trying to improve performance



Five recommendations

1 Revisit your MPLS and WAN strategy

Do you route branch traffic over MPLS? Such backhauling results in degraded performance, especially for latency-sensitive applications like Skype or bandwidth-heavy functions like file-sharing. How many internet egress locations do you have? Microsoft offers dozens of “front-door” locations worldwide. Be sure your global users are able to access all of them.

3 Simplify proxies and firewalls

Managing the updates and policies across all your appliances in all your branches can be a challenge, and missing one update can cause Office 365 to become inaccessible.

Consider automating firewall and proxy settings across your organization. A good cloud security gateway can automatically manage this with one-click policies that securely connect a user to a desired application. In addition, it can provide centralized visibility and controls for managing who accesses what applications.

2 Route Office 365 traffic direct-to-internet

Businesses that move to a direct-to-internet network can cut WAN costs, resulting in millions of dollars in annual savings for large distributed enterprises. Significant capital expenses can be eliminated by not having to frequently upgrade gateway appliances to deal with increases in internet traffic. Operational costs associated with managing those on-premises appliances are also drastically reduced. MPLS costs can also be saved due to reduced backhauling of traffic.

4 Consider SD-WAN

Software-defined WAN simplifies remote connectivity and efficiently connects your branches to the internet and HQ. Because SD-WAN allows you to send internet traffic over inexpensive broadband connections, and lets you reserve your MPLS links for data center-bound traffic, it saves a bundle in network costs.

Five recommendations

5 Rethink security

Once you've made the decision to route your traffic direct-to-internet, you'll be increasing your gateway footprint drastically. After all, each branch office will become a gateway. So, will you replicate your HQ gateway in all your branch offices? Or will you rethink security for the era of cloud and mobility?

The Zscaler cloud security platform enables you to protect all your internet traffic with fast, secure connections. Zscaler offers the full security stack delivered as a cloud service, and policies follow users for consistent security no matter where they connect: in the branch, at home, or on the road.

For your Office 365 traffic, Zscaler one-click deployment automatically configures Office 365 connection requirements. In compliance with Microsoft, Zscaler does not inspect Office 365 traffic, but does inspect all other internet traffic to keep your users and data safe.

Zscaler for Office 365 enables you to:

- Identify and differentiate Office 365 traffic and set granular bandwidth controls
- Egress network connections locally for the fastest path to Microsoft
- Allow remote users to go directly to Microsoft without VPN hairpins
- Keep all rules, IPs, and URLs updated automatically
- Establish fast and local DNS for fewer network hops
- Create secure local breakouts; backhaul only DC-bound traffic



The Zscaler global cloud is distributed across more than 100 data centers, and Zscaler peers with Microsoft in major data centers globally. No matter where users connect, they always get a local, fast connection to Office 365.

Zscaler simplifies Office 365 migration by enabling:

- One-click deployment which simplifies configuration and management
- A fast user experience with secure local internet breakouts
- Secure SD-WAN deployments that minimize MPLS costs
- Bandwidth controls that prioritize Office 365 over recreational activities
- Peering in most major Office 365 exchanges with 1-2ms round trip time
- Fast and local DNS and fewer network hops

Zscaler has helped more than 700 organizations migrate successfully to Office 365. We can help you, too.



[zscaler.com/office-365](https://www.zscaler.com/office-365)

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